

**SIXTH AMENDMENT TO THE
CITY OF ROCKVILLE PENSION PLAN**

Pursuant to the powers of amendment reserved in Section 12.1 of the City of Rockville Pension Plan, as amended and restated effective as of April 1, 2008, as amended by the First, Second, Third, Fourth and Fifth Amendments (“Plan”), said Plan shall be and the same hereby is amended by the City of Rockville (“City”), generally effective as of January 1, 2013, as follows:

FIRST CHANGE

Section 1.7 shall be amended by deleting the paragraph beginning with “Interest shall be credited for the number of full months” and all subsequent paragraphs of such Section, and substituting the following in lieu thereof:

“Interest credited after December 31, 1989 and until December 31, 2012 shall be credited as follows:

Interest shall be credited for the number of full months from the January 1 following date of contribution to the date of withdrawal or benefit commencement.

(a) Except as provided in (c) below, Employee contributions made for a calendar year shall be credited as of December 31 of that calendar year with 3% simple interest.

(b) Except as provided in (c) below, Employee contributions and Credited Interest thereon which has accumulated as of December 31 shall be credited as of the following December 31 with 6% simple interest.

(c) For the calendar year that Employee contributions and Credited Interest thereon are withdrawn or that benefits commence:

(1) Employee contributions made for that calendar year shall be credited as of the date of withdrawal or commencement with simple interest of 0.25% times the number of full calendar months completed during that calendar year prior to the date of withdrawal or commencement, and

(2) Employee contributions and Credited Interest thereon which has accumulated as of the December 31 prior to such calendar year shall be credited as of the date of withdrawal or commencement with simple interest

of 0.5% times the number of full calendar months completed during that calendar year prior to the date of withdrawal or commencement.

Interest credited after December 31, 2012 shall be credited as follows:

Interest shall be credited for the number of full months from the January 1 following the date of contribution to the date of withdrawal or benefit commencement. Notwithstanding the foregoing, effective for contributions made on and after July 1, 2013, interest shall be credited for the number of full months from the July 1 following the date of contribution to the date of withdrawal or benefit commencement.

(d) Except as provided in (f) below, Employee contributions made between January 1, 2013 and June 30, 2013 shall be credited as of June 30, 2013 for that six (6)-month period with 1.5% simple interest. Thereafter, Employee contributions made for a Plan Year shall be credited as of June 30 of that Plan Year with 3% simple interest.

(e) Except as provided in (f) below, Employee contributions and Credited Interest thereon which has accumulated as of December 31, 2012 shall be credited as of June 30, 2013 with 3% simple interest. Thereafter, Employee contributions and Credited Interest thereon which has accumulated as of June 30 (starting with June 30, 2013) shall be credited as of the following June 30 with 6% simple interest.

(f) For the period that Employee contributions and Credited Interest thereon are withdrawn or that benefits commence:

(1) For withdrawal or benefit commencement dates between January 1, 2013 and June 30, 2013, Employee contributions made between January 1, 2013 and June 30, 2013 shall be credited as of the date of withdrawal or commencement with simple interest of 0.25% times the number of full calendar months completed during that six (6)-month period prior to the date of withdrawal or commencement. Thereafter, Employee contributions made for a Plan Year shall be credited as of the date of withdrawal or commencement with simple interest of 0.25% times the number of full calendar months completed during that Plan Year prior to the date of withdrawal or commencement.

(2) For withdrawal or benefit commencement dates between January 1, 2013 and June 30, 2013, Employee contributions and Credited Interest thereon which has accumulated as of the December 31 prior to such six (6)-month period shall be credited as of the date of withdrawal or commencement with simple interest of 0.5% times the number of full calendar months completed during that (6)-month period prior to the date of withdrawal or commencement. Thereafter, Employee contributions and Credited Interest thereon which has accumulated as of the June 30 prior to

the Plan Year of withdrawal or commencement shall be credited as of the date of withdrawal or commencement with simple interest of 0.5% times the number of full calendar months completed during that Plan Year prior to the date of withdrawal or commencement.”

SECOND CHANGE

Section 1.14 shall be amended by adding the following sentence immediately at the end of the last paragraph thereof:

“Notwithstanding the foregoing, the \$200,000 limit (as it may be adjusted from time to time) described above shall be prorated to 25% of the otherwise applicable annual limit for the short Plan Year beginning on April 1, 2013 and ending on June 30, 2013.”

THIRD CHANGE

Section 1.19 shall be deleted in its entirety and the following substituted in lieu thereof:

“Plan Year means the twelve (12)-month period beginning on April 1, 1986 and each April 1 thereafter; provided, however, that there shall be a short Plan Year beginning on April 1, 2013 and ending on June 30, 2013. Subsequently, a Plan Year means the twelve (12)-month period beginning on July 1, 2013 and each July 1 thereafter.”

FOURTH CHANGE

The first sentence of the last paragraph of Section 3.1 shall be deleted in its entirety and the following substituted in lieu thereof:

“As of any July 1, if the City contribution to the Defined Benefit Option of the Plan exceeds 6.5% of the Earnings of the Employees who are participating under the Defined Benefit Option as of such July 1, the City, in its discretion, reserves the right to impose a “Supplemental Employee Contribution” for the applicable fiscal year.”

FIFTH CHANGE

Section 3.3 shall be deleted in its entirety and the following substituted in lieu thereof:

“The amount of interest to be credited to Employee contributions shall be calculated in accordance with Section 1.7.”

SIXTH CHANGE

Section 4.2(b) shall be deleted in its entirety and the following substituted in lieu thereof:

“(b) Notwithstanding any provision of this Plan to the contrary, effective on and after December 12, 1994, minimum contributions, benefits and service credit with respect to Qualified Military Service will be provided in accordance with and to the extent required by Sections 414(u) and 401(a)(37) of the Code, as set forth in this Section 4.2(b) and as otherwise may be provided by law. However, in the event the provisions of the Plan provide for contributions, benefits and service credit which are more generous than those required in this Section 4.2(b), such provisions shall apply.

(1) If an individual dies on or after January 1, 2007, while performing Qualified Military Service, the Participant’s Beneficiaries are entitled to any additional benefits (other than benefit accruals relating to the period of Qualified Military Service) provided under the Plan as if such Participant resumed and then terminated employment on account of death.

(2) With respect to individuals reemployed by the City after performing Qualified Military Service, and while reemployment rights are guaranteed by Chapter 43 of Title 38 of the United States Code, the following provisions shall apply:

(i) Such individual will be treated as not having incurred a break in Continuous Service or Credited Service by reason of his or her Qualified Military Service.

(ii) Each period of Qualified Military Service completed by an individual shall count for purposes of determining the individual’s accrual of benefits under the Plan, as well as the nonforfeitability of such accrued benefits.

(iii) A reemployed individual is entitled to accrued benefits that are contingent on the making of, or derived from, employee contributions, only to the extent the individual makes payment to the Plan with respect to such contributions. No such payment may exceed the amount that the individual would have been required to contribute had he or she remained continuously employed by the City throughout the period of Qualified Military Service. Any payment to the Plan shall be made beginning with

the date of reemployment and whose duration is three times the period of the Qualified Military Service (but not greater than five years).

(3) Effective on and after January 1, 2009, the following provisions shall apply to Differential Wage Payments that may be paid by the City:

(i) To the extent that an individual receives a Differential Wage Payment, such individual will be treated as an Employee of the City.

(ii) In the event that an individual receives Differential Wage Payments under the policies that may be established from time to time by the City, such Differential Wage Payments will be treated as Compensation, to the extent those payments do not exceed the amounts the individual would have received if the individual had continued to perform services for the City rather than entering Qualified Military Service. Further, the Plan will not be treated as failing to meet the requirements of any provision described in Section 414(u)(1)(C) of the Code by reason of any contribution or benefit that is based on such Differential Wage Payments, but only if all Employees of the City performing service in the uniformed services are entitled to receive Differential Wage Payments on reasonably equivalent terms.

(4) The following definitions shall apply for purposes of this Section 4.2(b).

(i) Differential Wage Payment. Any payment which is made by the City with respect to any period during which the individual is performing service in the Uniformed Services while on active duty for a period of more than 30 days, and which represents all or a portion of the wages the individual would have received from the City if the individual were performing service for the City, all within the meaning of Section 3401(h)(2) of the Code.

(ii) Qualified Military Service. Any military service in the Uniformed Services by an individual, if such individual is entitled to reemployment rights with respect to such military service, all within the meaning of Section 414(u)(5) of the Code.

(iii) Uniformed Services. The uniformed services as defined in Chapter 43 of Title 38 of the United States Code.”

SEVENTH CHANGE

Section 15.9 shall be amended by adding the following sentence immediately before the last sentence thereof:

“Notwithstanding the foregoing, the \$40,000 limit (as it may be adjusted from time to time) described above shall be prorated to 25% of the otherwise applicable annual limit for the short Plan Year beginning on April 1, 2013 and ending on June 30, 2013.”

The City of Rockville Pension Plan, as amended and restated effective as of April 1, 2008, as amended by the First, Second, Third, Fourth and Fifth Amendments, and as amended by the foregoing changes, is hereby ratified and confirmed in all respects.

IN WITNESS THEREOF, the City has caused this Sixth Amendment to the Plan to be executed this ____ day of _____, 201__.

ATTEST:

CITY OF ROCKVILLE

By:_____